



Bart L. Graham
Commissioner

State of Georgia
Department of Revenue

Suite 15300
1800 Century Boulevard
Atlanta, Georgia 30345
(404) 417-2100

NOTICE

RE: (I) Repeal of current Rule 560-12-2-.110 "Sales Tax Holiday - July 28, 2005 through July 31, 2005." and adoption of new Rule 560-12-2-.110 "Sales Tax Holiday."

(II) Repeal of current Rule 560-12-2-.112 "Energy Efficient Product Sales Tax Holiday." and adoption of new Rule with the same name and number.

TO ALL INTERESTED PERSONS AND PARTIES:

In compliance with O.C.G.A. § 50-13-4, the Georgia Department of Revenue gives notice that it proposes to amend Chapter 560-12-2 of the Rules and Regulations of the State of Georgia by repealing Rule 560-12-2-.110, entitled "Sales Tax Holiday - July 28, 2005 through July 31, 2005." and adopting in its place new Rule 560-12-2-.110, entitled "Sales Tax Holiday."

The Department also proposes to amend Chapter 560-12-2 by repealing Rule 560-12-2-.112, entitled "Energy Efficient Product Sales Tax Holiday." and adopting in its place a new Rule with the same name and number.

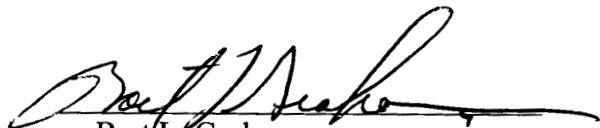
Attached with this notice are exact copies and synopses of the proposed Rules. The proposed Rules are being adopted and/or repealed under the authority of O.C.G.A. §§ 48-2-12, 48-8-3(75) and 48-8-3(82).

The Department of Revenue shall consider the adoption and/or repeal of the above referenced proposed Rules at 10:00 a.m. on July 7, 2006 in Suite 15210 of the Department's headquarters at 1800 Century Blvd. NE, Atlanta, GA 30345-3205.

The Department must receive all comments regarding the above referenced proposed Rules from interested persons no later than 10:00 a.m. on July 7, 2006. Written comments must be sent to: Commissioner, Georgia Department of Revenue, 1800 Century Blvd. N.E., Suite 15300, Atlanta, GA 30345-3205. Electronic comments must be sent to regcomments@dor.ga.gov. Facsimile

comments must be sent to (404) 417-6651. Please reference "Notice Number SUT-2006-3" on all comments.

Dated: June 7, 2006

A handwritten signature in black ink, appearing to read "Bart L. Graham", written over a horizontal line.

Bart L. Graham
Commissioner, Department of Revenue

SYNOPSIS

GEORGIA DEPARTMENT OF REVENUE SALES AND USE TAX DIVISION

CHAPTER 560-12-2 SUBSTANTIVE RULES AND REGULATIONS

560-12-2-.110 Sales Tax Holiday.

The purpose of repealing the current Rule and replacing it with new proposed Rule 560-12-2-.110 is to provide guidance concerning the sale of certain tangible personal property exempt from Georgia sales and use tax in accordance with O.C.G.A. § 48-8-3(75). The new proposed Rule also changes the title from “Sales Tax Holiday - July 28, 2005 through July 31, 2005” to “Sales Tax Holiday” and updates the list of covered items.

Paragraph (1) provides the purpose of the Rule.

Paragraph (2) provides for definitions of terms used within the Rule.

Paragraph (3) provides guidance concerning the types of clothing and footwear exempt from tax under the Sales Tax Holiday and provides examples.

Paragraph (4) provides guidance concerning the types of personal computers and personal computer related accessories exempt from tax under the Sales Tax Holiday and includes examples.

Paragraph (5) provides guidance concerning the types of general school supplies exempt from tax under the Sales Tax Holiday, including examples.

Paragraph (6) provides guidance concerning transactions involving the sale, rental or lease of tangible personal property.

Paragraph (7) provides guidance concerning various types of transactions that may be affected by the Sales Tax Holiday, including the sale of articles normally sold as a single unit, “buy one, get one free” and similar offers, discounts, coupons and rebates, exchanges, gift certificates and gift cards, layaway sales, sales made via U.S. Mail, e-mail, telephone and the Internet, out of stock sales, rain checks, charges for services rendered in conjunction with the sale of tangible personal property, and pre-order sales.

Paragraph (8) provides guidance concerning the types of records a dealer must retain.

Paragraph (9) provides guidance concerning refunds and receipts of transactions taking place during the Sales Tax Holiday exemption period.

Paragraph (10) provides guidance concerning the reporting of tax-exempt sales taking place during the Sales Tax Holiday exemption period.

Paragraph (11) provides examples of items that qualify for the exemption and items that are not eligible for the exemption during the Sales Tax Holiday exemption period.

**RULES
OF
DEPARTMENT OF REVENUE
SALES AND USE TAX DIVISION**

**CHAPTER 560-12-2
SUBSTANTIVE RULES AND REGULATIONS**

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560-12-2-.110 Sales Tax Holiday.

560-12-2-.110 Sales Tax Holiday ~~July 28, 2005 through July 31, 2005.~~

~~—(1) **Purpose.** The purpose of this rule is to provide guidance regarding the sale of certain clothing, footwear, computers, computer related accessories and general school supplies exempt from Georgia sales and use tax in accordance with O.C.G.A. §48-8-3(75) and in this Rule.~~

~~—(2) **Definitions.** For purposes of qualifying for the exemption provided for by O.C.G.A. §48-8-3 (75), and as used in this Rule, the following definitions and explanation of terms shall apply:~~

~~—(a) "Accessories" means any item, other than clothing or footwear that is carried on or about the human body, without regard to whether the item is worn on the body in a manner that is characteristic of clothing or footwear. Such items include jewelry, handbags, wigs, purses, umbrellas, backpacks, briefcases, luggage, barrettes, cuff links, hair bows, clips, and other similar type items.~~

~~—(b) "Airport" means any area of land or water, or man-made object or facility located thereon, which is used, or intended for use, for the landing and takeoff of aircraft, and any appurtenant areas that are used, or intended for use, for airport buildings or~~

~~other airport facilities or rights of way, together with all airport buildings and facilities located thereon.~~

~~—(c) "Children's books" means books suitable for infants, preschoolers and children in pre-kindergarten through the 12th grade when such books are primarily designed to enhance and promote reading skills and enhance the learning and childhood development process including those books listed on an approved school reading lists for children in pre-kindergarten through 12th grade. Typically, children's books fall into one of the following age categories: infant 3; ages 4 8; ages 9 12; and teens. Such term does not include textbooks, preparatory books, books on travel, cooking, home or automobile repair or installation, magazines, periodicals or newspapers, or any other similar books and publications.~~

~~—(d) "Clothing" means any article of wearing apparel intended to be worn on or about the human body. Such term does not include accessories such as jewelry, handbags, umbrellas, eyewear, watches and watchbands.~~

~~—(e) "Covered item" means tangible personal property that is exempt from tax under this rule and it includes articles of clothing or footwear with a sales price of \$100.00 or less per article of clothing or pair of footwear, a single purchase of \$1,500.00 or less of personal computers and personal computer related accessories, and general school supplies, including children's books, with a sales price of \$20.00 or less per item.~~

~~—(f) "Entertainment complex" means any complex, building, arena, stadium, and parcel of land or any other places where tickets, fees, or charges are made for admission to amusement, sports or entertainment activities. Such places include, but are not limited to, theaters, opera houses, amphitheater, amusement parks, parks, and athletic contest facilities.~~

~~—(g) "Eyewear" means eyeglasses and includes sunglasses, reading glasses and other similar accessories that are not otherwise exempt under Georgia sales and use tax law.~~

~~—(h) "Footwear" means any shoe, boot or other such article that is normally worn on a foot.~~

~~—(i) "General school supplies" means any item utilized in the classroom or in classroom activities and includes pens, pencils, notebooks, paper, book bags, calculators, children's books, dictionaries, and thesauruses.~~

~~—(j) "Nonrecreational software" means a prewritten computer software contained within a tangible medium that is not primarily designed for recreational use and includes software for operational, educational, word processing, financial, and any other similar software. Such term shall not include software purchased for use with a gaming device, game console or other such recreational device or any other software primarily designed for recreational use with a personal computer.~~

~~—(k) "Personal computer" means any laptop, desktop, handheld computers, or tower computer system, which consists of a central processing unit, random access memory, and a storage drive. Such term shall not include any device not primarily designed to process data.~~

~~—(l) "Personal computer related accessories" means the individual components of a personal computer or devices used in conjunction with a personal computer. Such term includes printers, modems, keyboards, monitors, personal digital assistant devices, peripheral devices, and non-recreational software utilized in association with the personal computer. Such term shall not include furniture, cellular telephones or other devices, including personal digital assistant devices, that allow any type of voice communication, digital cameras or any systems, devices, software, or peripherals designed or intended primarily for recreational use.~~

~~—(m) "Public lodging establishment" means any facility consisting of one or more rooms or units providing lodging and other accommodations to transients. Such term includes tourist courts, tourist cottages, tourist homes, tourist parks, trailer courts, bed and breakfast facilities, motels, hotels, and any similar place.~~

~~—(n) "Recreational use" means a use that is not educational or is typically used for amusement or entertainment purposes.~~

~~—(o) "Restaurant" means any establishment that prepares and serves meals, lunches, short orders, sandwiches, frozen desserts, or other edible products. The term includes coffee shops, cafeterias, short order cafes, luncheonettes, taverns retailing sandwiches or salads, lunchrooms, soda fountains, food carts, itinerant restaurants, industrial cafeterias, catering establishments, and similar facilities.~~

~~—(p) "Theme park" means any complex, building, arena, stadium, parcel of land or any other place where tickets, fees, or charges, voluntary or otherwise, are made for admission or parking to amusement, sports or entertainment activities. Such places include, but are not limited to amusement parks, parks; public or private, and any other similar facilities.~~

~~—(q) "Trade or business" means any activity engaged in by any person or caused to be engaged in by any person with the object of direct or indirect gain, benefit, or advantage.~~

~~—(3) **Clothing and Footwear.**~~

~~—(a) Beginning at 12:01 a.m. July 28, 2005 through July 31, 2005, sales of any item of clothing or footwear with a sales price of \$100.00 or less per article will be exempt from sales and use tax.~~

~~—(b) This exemption shall not apply to the sale of any accessories such as jewelry, handbags, umbrellas, eyewear, watches or watchbands.~~

~~—(c) The application of the exemption to the sale of clothing or footwear during the exemption period is illustrated by the following examples:~~

~~—1. A customer purchases three shirts for \$45.00 per shirt. All three items qualify for the exemption, even though the customer's total purchase price (\$135.00) exceeds \$100.00.~~

~~—2. A customer purchases a pair of shoes for \$110.00. The purchase does not qualify for the exemption because the customer's purchase price exceeds \$100.00.~~

~~—3. A customer purchases a tie for \$50.00, a shirt for \$55.00 and a suit for \$300.00. The purchase of the tie and shirt qualify for the exemption, but the suit does not qualify.~~

~~—4. A customer purchases a sport's team jersey for \$35.00. The purchase would qualify for the exemption.~~

~~—5. A customer purchases a football uniform for \$75.00 and football cleats for \$50.00. These purchases would qualify for the exemption.~~

~~—6. A customer purchases a gold pin for \$99.00. The purchase would not qualify for the exemption because the item is an accessory.~~

~~—(4) **Personal Computers and Personal Computer Related Accessories.**~~

~~—(a) Beginning at 12:01 a.m. July 28, 2005 through July 31, 2005, a single purchase of \$1,500.00 or less of any personal computer and personal computer related accessories will be exempt from~~

~~sales and use tax. Any single purchase exceeding \$1,500.00 shall be subject to the tax.~~

~~(b) A personal computer and personal computer related accessories do not include furniture, digital cameras, cellular telephones or other devices, including personal digital assistant devices, that allow any type of voice communication, any systems, devices, software or peripherals designed or intended primarily for recreational use.~~

~~(c) The application of the exemption to the sale of any personal computer and personal computer related accessories during the exemption period is illustrated by the following examples:~~

~~1. A customer makes a single purchase of a personal computer, printer, and scanner for \$1,500.00. The purchase will qualify for the exemption.~~

~~2. A customer makes a single purchase of a personal computer for \$2,600.00. The purchase will not qualify for the exemption.~~

~~3. A customer makes a single purchase of a printer and cartridges for \$300.00 without purchasing a personal computer. The purchase is eligible for the exemption.~~

~~(5) General School Supplies.~~

~~(a) Beginning at 12:01 a.m. July 28, 2005 through July 31, 2005, sales of general school supplies to be utilized in the classroom or for classroom related activities with a sales price of \$20.00 or less per item will be exempt from sales and use tax.~~

~~(b) Sales of general school supplies shall be presumed to be for classroom or classroom related activities unless the dealer's records indicate otherwise.~~

~~—(e) The application of the exemption to the sale of general school supplies during the exemption period is illustrated by the following examples:~~

~~—1. A customer purchases a box of pencils for \$5.00. The purchase qualifies for the exemption.~~

~~—2. A customer purchases a calculator for \$30.00. The purchase does not qualify for the exemption because the sales price exceeds the \$20.00 per item limitation.~~

~~—3. A customer purchases ten composition books for \$2.50 for each item. The total purchase of \$25.00 qualifies for the exemption because the sales price for each item does not exceed \$20.00.~~

~~—4. A customer purchases a box of pens for \$10.00, paper for \$15.00 and chalk for \$3.00 and pays with a business credit card or business check. The purchase will be presumed to be used in a trade or business and not qualify for the exemption.~~

~~—5. A customer purchases a dictionary for \$10.00, a book on home decorating for \$15.00 and a writing tablet for \$3.00. The purchase of the dictionary and the writing tablet will be exempt, but the book on home decorating does not qualify for the exemption.~~

~~—(6) General Exemption Exclusions.~~

~~—(a) The exemption shall not apply to any item for use in a trade or business;~~

~~—(b) The exemption shall not apply to any item rented or leased.~~

~~—(c) The exemption shall not apply to sales in a theme park, entertainment complex, public lodging establishment, restaurant or airport.~~

~~—(7) Sales Tax Holiday Transaction Rules.~~

~~—(a) Articles normally sold as a unit.~~ Articles usually sold as a unit may not be priced separately and sold as individual items in order to be exempt. The following examples illustrate the application of the rule to the exemption:

~~—1. A pair of shoes sells for \$200.00. The pair of shoes cannot be split in order to sell each shoe for \$100.00 to qualify for the exemption.~~

~~—2. A suit is normally priced at \$300.00. The suit cannot be split into a coat and slacks so that one of the articles may be sold for \$100.00 or less to qualify for the exemption. However, articles that are normally sold as separate articles, such as a sport coat and slacks, may continue to be sold as separate articles and qualify for the exemption.~~

~~—3. A packaged gift set consisting of a wallet (ineligible item) and tie (eligible item) would not qualify for the exemption.~~

~~—(b) "Buy one, get one free" and other similar offers.~~ If a dealer offers "buy one, get one free" or "two for the price of one" on covered items, the purchase shall qualify for the exemption when all other conditions of the exemption are met. However, if a dealer offers a "buy one, get one for a reduced price" the two prices cannot be averaged to qualify both items for the exemption. The following examples illustrate the application of the rule to the exemption:

~~—1. A dealer offers "buy one, get one free" on a pair of shoes. The first pair of shoes has a sale price of \$99.00 and the second pair is free. Both pairs of shoes will qualify for the exemption because the first pair of shoes does not exceed the \$100.00 exemption limitation.~~

~~2. A coat is purchased for \$120.00 and a second coat is purchased for half price (\$60.00) at the time the first coat is purchased. The second coat will qualify for the exemption, but the tax will be due on the first coat. In this example, the sales price of the items may not be averaged in order to qualify for the exemption.~~

~~(c) **Discounts, coupons, and rebates.** The application of the exemption to discounts, coupons and rebates extended on a covered item during the exemption period is illustrated by the following examples:~~

~~1. Discounts offered by the retailers at the time of sale and which are taken by the customer at the time of sale affect the sales price of the purchased item. For example, if a dealer sells a pair of jeans with a sales price of \$110.00 and offers to discount the item 10 percent at the time of sale, the exemption would apply because the actual sales price of the jeans is \$99.00.~~

~~2. Coupons offered by the selling dealer and used at the time of sale to reduce the sales price of a covered item affect the sales price of the purchased item. For example, if a dealer offers a reduction in sales price of \$100.00 through a store coupon for a computer with a sales price of \$1,600.00, the exemption would apply to the entire purchase because the dealer's actual sales price to the customer is \$1,500.00.~~

~~3. Coupons offered by a manufacturer that are used to pay for a covered item do not affect the sales price of the purchased item. For example, if a customer gives to a dealer a manufacturer's coupon for \$100.00 for a computer with a sales price of \$1,600.00, the exemption would not apply.~~

~~4. Rebates generally occur after the sale, thus the amount of the rebate does not affect the sales price of the purchased item. For example, if a pair of jeans were purchased for \$110.00 with a~~

~~manufacturer's rebate for \$10.00, the exemption would not apply because the sales price is in excess of \$100.00.~~

~~—(d) Exchanges. The application of the exemption to an exchange of a covered item purchased during the exemption period is illustrated by the following examples:~~

~~—1. A customer purchases a covered item during the exemption period, but later exchanges the item for a different size, color, or other feature. No additional tax is due even though the exchange is made after the exemption period.~~

~~—2. A customer purchases a covered item during the exemption period. After the exemption period has ended, the customer returns the item and receives credit on the purchase of a different item. Sales tax is due on the total sales price of the newly purchased item.~~

~~—3. A customer returns a covered item during the exemption period that was purchased before the exemption period for the purposes of obtaining a refund or adjustment of the previously collected sales tax. The refund or adjustment of sales tax on such transactions is not allowed because the tax was due on the item at the time of purchase.~~

~~—(e) Gift certificates and gift cards. Covered items purchased during the exemption period using a gift certificate or gift card will qualify for the exemption, regardless of when the gift certificate or gift card was purchased. Covered items purchased after the exemption period using a gift certificate or gift card are taxable even if the gift certificate or gift card was purchased during the exemption period. A gift certificate or gift card cannot be used to reduce the selling price of a covered item in order for the item to qualify for the exemption.~~

~~—(f) Layaways. A layaway sale is a transaction in which articles are set aside for future delivery to a customer who makes a deposit,~~

~~agrees to pay the balance of the sales price over a period of time, and, at the end of the payment period, receives the merchandise. For the purposes of this exemption, a covered item will qualify for the exemption when final payment on the layaway is made by, and the item is given to the customer during the exemption period. The application of the exemption to a layaway of a covered item purchased during the exemption period is illustrated by the following examples:~~

~~—1. A dress with a sales price of \$75.00 is placed in layaway during the exemption period. The customer picks up the dress and makes final payment after the exemption period. The exemption does not apply.~~

~~—2. A coat with a sales price of \$100.00 is placed in layaway before the exemption period. The customer makes the final payment and picks up the coat out of layaway on July 31, 2005. The exemption would apply because the coat was paid for and picked up during the exemption period.~~

~~—(g) **Mail, telephone, e-mail, and Internet sales.** The sale of a covered item of eligible clothing, footwear, personal computer, personal computer related accessory or general school supplies may qualify for exemption when sold through the mail, telephone, e-mail or Internet if:~~

~~—1. The item is both paid for and delivered to the customer during the exemption period; or~~

~~—2. The customer orders and pays for the item and the dealer accepts the order during the exemption period for immediate shipment, even if delivery is made after the exemption period. An order is considered for immediate shipment when the customer does not request delayed shipment. The dealer must accept an order during the exemption period even if delivery is not made during the exemption period. Actions to fill an order include placement of an "in date" stamp on a mail order or assignment of~~

an "order number" to a telephone order. If the dealer delays shipment of an order because of a backlog, or because stock is currently unavailable, the order is still for immediate shipment.

—(h) **Out of stock sales.** A purchase where a customer orders and pays for the covered item and the dealer accepts the order during the exemption period will be eligible for the exemption, even if delivery is made after the exemption period.

—(i) **Rain checks.** Covered items purchased during the exemption period with the use of a previously issued rain check will qualify for the exemption. However, a rain check that is issued during the exemption period will not qualify a covered item for the exemption if purchased after the exemption period.

—(j) **Charges for services that are part of a Sale.** Charges for services that are subject to tax when sold as a part of a retail sale of a covered item shall be included, in certain instances, when determining the sales price of a covered item. This applies regardless of the method of stating the charge for service to the customer. The following examples illustrate the application of the rule to the exemption:

—1. **Alterations.** A pair of slacks is purchased for \$95.00 and a \$10.00 charge is made for alterations at the time of sale. The purchase would not qualify for the exemption because the sales price of \$105.00 exceeds the \$100.00 per item exemption limitation.

—2. **Shipping charges.** The taxation of shipping charges will depend upon the taxability of the item being sold. On transactions that include exempt and taxable purchases, the shipping charges will be presumed to apply to the exempt item. For example: an article of clothing is purchased for \$99.00 and a shipping charge is made for \$2.00. The purchase would qualify for the exemption since the clothing is exempt. Two articles of clothing are purchased for \$110.00 and \$60.00 with a shipping charge of \$5.00.

Since one of the articles of clothing qualifies for the exemption, the shipping charge will not be taxable.

~~—(k) **Preorder sales.** The preorder of a covered item of eligible clothing, footwear, personal computer, personal computer accessories or general school supplies may qualify for exemption if the payment occurs during the exemption period.~~

~~—(8) **Records.** The retailer is not required to obtain an exemption certificate on sales of covered items during the exemption period. However, the retailer's records should clearly identify the type of item sold, the date on which the item was sold, the sales price of all items and, if applicable, any tax charged.~~

~~—(9) **Refunds and Receipts.** For the period of 30 calendar days following the last day of the exemption period, when a customer returns an item that would qualify for the exemption, no refund of tax shall be given unless the customer provides a receipt or invoice showing tax was paid, or the retailer has sufficient documentation to show that tax was paid on the specific covered item.~~

~~—(10) **Reporting Exempt Sales.** No special reporting procedures are necessary to report exempt sales on covered items made during the exemption period. Exempt sales are to be reported in Part C of the Return (Form ST-3) on Line A and the applicable Local County Taxes Line or on Line 2 of the EZ Return (Form ST-3EZ). Taxable sales and exempt transactions should be reported as currently required by law.~~

~~—(11) The following alphabetical lists are examples of exempt or taxable items by type:~~

~~—(a) Clothing and Footwear: (E= Exempt T= Taxable)~~

T/E ITEM

~~—T **Accessories** (generally):~~

~~—T Barrettes and bobby~~

~~_____ pins~~

~~—T Cuff Links~~

Chapter 560-12-2

Substantive Rules and Regulations

- ~~T~~ Hair bows, clips, nets
- ~~—~~ and bands
- ~~T~~ Handbags
- ~~T~~ Handkerchiefs
- ~~E~~ Headbands
- ~~T~~ Jewelry
- ~~T~~ Key Cases
- ~~T~~ Ponytail Holders
- ~~T~~ Wallets
- ~~T~~ Watch bands
- ~~T~~ Watches
- ~~E~~ Aerobic Clothing
- ~~E~~ Antique Clothing
- ~~T~~ Aprons
- ~~E~~ Athletic Pads
- ~~E~~ Athletic Supporters
- ~~E~~ Baby Clothes
- ~~T~~ Backpacks
- ~~E~~ Bandanas
- ~~E~~ Baseball Cleats
- ~~E~~ Bathing Suits, Caps and
- ~~—~~ Cover-ups
- ~~E~~ Belt Buckles
- ~~E~~ Belts
- ~~E~~ Belts for Weightlifting
- ~~or Back support~~
- ~~T~~ Bibs
- ~~E~~ Blouses
- ~~E~~ Boots
- ~~E~~ Bow ties
- ~~E~~ Bowling Shoes
- ~~E~~ Bras
- ~~T~~ Briefcases
- ~~E~~ Caps and Hats
- ~~E~~ Cleated and Spiked
- ~~—~~ Footwear
- ~~T~~ Cloth and Lace, Knitting
- ~~—~~ Yarns and Other Fabric
- ~~T~~ Clothing and Footwear
- ~~—~~ (rented)
- ~~T~~ Clothing or Footwear
- ~~—~~ Repair Items, such as
- ~~—~~ thread, buttons, patches,
- ~~—~~ heels, and soles
- ~~E~~ Coats, Capes, Shawls
- ~~—~~ and Wraps
- ~~T~~ Coin Purses
- ~~T~~ Corsages and
- ~~—~~ Boutonnieres
- ~~E~~ Corsets and Corset
- ~~—~~ Laces
- ~~T~~ Cosmetic Bags
- ~~T~~ Costumes
- ~~E~~ Coveralls
- ~~T~~ Crib Blankets
- ~~T~~ Diaper Bags
- ~~E~~ Diapers, Cloth &
- ~~—~~ Disposable (adult and
- ~~—~~ baby)
- ~~E~~ Dresses
- ~~E~~ Employee Uniforms
- ~~T~~ Eyewear
- ~~T~~ Fanny Packs
- ~~E~~ Fishing Boots (waders)
- ~~E~~ Fishing Vests
- ~~E~~ Football Pads
- ~~E~~ Formal Clothing
- ~~T~~ Garment Bags
- ~~E~~ Garter and garter belts
- ~~E~~ Girdles
- ~~E~~ Gloves (generally):
- ~~T~~ Baseball (Fielder's)

— Mitt)	E Leotards and Tights
E Batting	T Life Jackets and Vests
E Dress	T Linens (sheets, blankets,
E Garden	— etc.)
E Golf	E Lingerie
E Leather	T Luggage
E Rubber	T Makeup Bags
E Tennis	E Martial Arts Attire
E Work	E Mittens
T Goggles	E Neckwear and Ties
E Graduation Caps and	E Overshoes and Rubber
— Gowns (except rented)	— Shoes
E Gym Suits	T Paint and Dust Masks
T Hair Nets, Bows, Clips	E Pants
— and Bands	E Pantyhose
E Hand Muffs	T Patterns (sewing)
T Handbags and Purses	T Personal Flotation
T Handkerchiefs	— Devices
T Hard Hats	T Protective Masks and
E Hats and Caps	— Goggles
E Headband	E Raincoats, Raincoats and
E Helmets	— Ponchos
E Hosiery, including	T Receiving Blankets
— support hosiery	T Rented Clothing or
E Hunting Vests	— Footwear
E Ice Skates	T Repair of Clothing or
T Insoles	— Footwear
E Jackets	E Robes
E Jeans	E Roller Blades
T Jewelry	E Roller Skates
E Jogging Suits	E Running Suits
E Jumpers	E Safety Clothing
T Key Chains	T Safety Glasses
E Knee Pads	E Safety Shoes
T Lab Coats	E Scarves
E Leg Warmers	E School Uniforms

Chapter 560-12-2

Substantive Rules and Regulations

E Scout Uniforms	E Suspenders
T Shaving Kits and Bags	E Sweat Clothes (shirts & pants)
E Shawls and Wraps	E Sweatbands
E Shin Guards and Padding	E Sweaters
E Shirts	T Swimming Masks
T Shoe Inserts	E Swimsuits and Trunks
T Shoe Laces	E T-Shirts
E Shoes	E Ties (neckties all)
E Shorts	E Tuxedos, excluding cufflinks and rentals
E Ski Suits (snow)	T Umbrellas
E Skirts	E Undergarments
E Sleepwear, Nightgowns and Pajamas	E Uniforms
E Slippers	E Vests (except water)
E Slips	T Wallets
E Socks	T Watchbands
E Sports Coats	T Water Vests (life and ski)
E Sports Uniforms	T Wigs, Hair Extensions, Toupees and Chignons
T Suitecases	E Slacks
E Suits	
T Sunglasses	

~~—(b) Computers and Computer Related Accessories (E= Exempt—T= Taxable)~~

~~T/E ITEM~~

T Action Games	—personal digital
T Adventure Games	—assistant devices, that
E Antivirus Software	—allow any type of voice
E Cables (computer)	—communication
E CD (blank)	E Central Processing Unit
T CD (music, voice or otherwise)	E Compact Disk Drives
T Cellular Telephones or other devices, including	E Compact Disks
	T Computer Games
	E Computer Supplies
	E Computers

Chapter 560-12-2**Substantive Rules and Regulations**

T Computers for	— (except those that allow
— Recreation (games and	— any type of voice
— toys)	— communication)
T Controllers	E Printer Cartridges
E Database Software	E Printers
T Digital Cameras	T Rented Computers or
E Educational Software	— Computer Accessories
E Finance Software	T Repair of Computers or
T Games	— Computer Accessories
T Gaming Software	T Role Playing Games
E Greeting Card Software	E Router
E Hard Drive (computer)	E Scanners
E Internet Software	E Software
T Joy Sticks	— (nonrecreational)
E Keyboard	E Speakers (computer)
E Memory	E Storage Devices
E Microphone	T Software (games and
E Modems	— entertainment)
E Monitor	T Sports Games
E Motherboard	T Strategy Games
E Mouse	T Videogames
T MP3 Players	E Video Computer Camera
T Music Download	T Videogame Devices
— Software	E Web Cameras
E Operational Software	E Word processing
E Personal Digital	— Software
— Assistant Devices	E Zip Drives

~~—~~ (c) General School Supplies (E= Exempt T= Taxable):

T/E ITEM

E Appointment Books	— children's books,
E Backpacks	— dictionaries and
E Book Bags	— thesauruses)
E Book Covers	T Briefcases
E Book Markers	E Calculators
T Books (except	E CD (Blank)

Chapter 560-12-2**Substantive Rules and Regulations**

- ~~E~~ Chalk
- ~~E~~ Chalkboard Erasers
- ~~E~~ Children's Books
- ~~E~~ Clipboards
- ~~E~~ Colored Pencils
- ~~E~~ Compact Disks
- ~~E~~ Compass
- ~~E~~ Composition Books
- ~~E~~ Computer Supplies
- ~~E~~ Construction Paper
- ~~E~~ Crayon Box
- ~~E~~ Crayons
- ~~E~~ Daily Planners
- ~~E~~ Dictionaries
- ~~E~~ Dividers
- ~~E~~ Duffel Bags
- ~~E~~ Easel Pads
- ~~T~~ Envelopes
- ~~E~~ Erasers
- ~~E~~ File Jackets
- ~~E~~ Flash Cards
- ~~E~~ Folders
- ~~E~~ Glue
- ~~E~~ Glue Refills
- ~~E~~ Graph Paper
- ~~E~~ Highlighters
- ~~E~~ Index Cards
- ~~E~~ Ink
- ~~E~~ Ink Cartridges
- ~~T~~ Janitorial Supplies
- ~~E~~ Label Holders
- ~~E~~ Labels
- ~~E~~ Lead
- ~~E~~ Loose-leaf Binders
- ~~E~~ Lunch Boxes
- ~~E~~ Markers
- ~~E~~ Mechanical Pencils
- ~~T~~ Medical Supplies
- ~~E~~ Memo Books
- ~~E~~ Notebooks
- ~~E~~ Organizers
- ~~E~~ Paper (notebook, printer or pads)
- ~~E~~ Paper Clips
- ~~E~~ Paste
- ~~E~~ Pencil Box
- ~~E~~ Pencil Erasers
- ~~E~~ Pencil Lead
- ~~E~~ Pencil Sharpener
- ~~E~~ Pencils
- ~~E~~ Pens
- ~~E~~ Portfolios
- ~~E~~ Poster Board
- ~~E~~ Protractors
- ~~E~~ Rubber Bands
- ~~E~~ Rulers
- ~~E~~ Scissors
- ~~E~~ Scotch Tape
- ~~E~~ Sheet Protectors
- ~~E~~ Staplers
- ~~E~~ Staples
- ~~E~~ Sticky Notes
- ~~T~~ Supplies used in a Trade or Business
- ~~E~~ Tape
- ~~E~~ Tape Refills
- ~~E~~ Thesauruses
- ~~E~~ Whiteout
- ~~E~~ Wire-bound Notebooks

(1) Purpose. The purpose of this Rule is to provide guidance regarding the sale of certain clothing, footwear, computers, computer related accessories and general school supplies exempt from Georgia sales and use tax in accordance with O.C.G.A. § 48-8-3(75) and in this Rule.

(2) Definitions. For purposes of qualifying for the exemption provided for by O.C.G.A. § 48-8-3(75), and as used in this Rule, the following definitions and explanations of terms apply:

(a) "Accessories" means any item, other than clothing or footwear, that is worn or carried on or about the human body, whether or not the item has characteristics similar to that of clothing or footwear. Such items include jewelry, handbags, wigs, purses, umbrellas, backpacks, briefcases, luggage, barrettes, cuff links, hair bows, clips, and other similar items.

(b) "Airport" means any area of land or water, or man-made object or facility located thereon, which is used, or intended to be used, for the landing and takeoff of aircraft, and any appurtenant areas that are used, or intended to be used, for airport buildings or other airport facilities or rights-of-way, together with all airport buildings and facilities located thereon.

(c) "Children's books" means books suitable for infants, preschoolers and children in pre-kindergarten through the 12th grade when such books are primarily designed to enhance and promote reading skills and enhance the learning and childhood development process, including those books listed on an approved school reading list for children in pre-kindergarten through 12th grade. Typically, children's books fall into one of the following age categories: infant – 3; ages 4 – 8; ages 9 – 12; and teens. Such term does not include textbooks; preparatory books; books on travel; cooking; home or automobile repair or installation; magazines, periodicals or newspapers; or any other similar books and publications.

(d) "Clothing" means any article of wearing apparel intended to be worn on or about the human body. Such term does not include accessories such as jewelry, handbags, umbrellas, eyewear, watches and watchbands.

(e) "Covered item" means tangible personal property that is exempt from tax under this Rule and includes articles of clothing or footwear with a sales price of \$100.00 or less per article of clothing or pair of footwear, a single purchase of \$1,500.00 or less of personal computers and personal computer related accessories, and general school supplies, including children's books, with a sales price of \$20.00 or less per item.

(f) "Entertainment complex" means any complex, building, arena, stadium, and parcel of land or any other place where tickets, fees, or charges are made for admission to amusement, sports or entertainment activities. Such places include, but are not limited to, theaters, opera houses, amphitheaters, amusement parks, parks, and athletic contest facilities.

(g) "Exemption period" means the time period for the sales tax holiday as provided for under O.C.G.A. § 48-8-3(75).

(h) "Eyewear" means eyeglasses and includes sunglasses, reading glasses and other similar accessories that are not otherwise exempt under Georgia sales and use tax law.

(i) "Footwear" means any shoe, boot or other such article that is normally worn on a foot.

(j) "General school supplies" means any item utilized in the classroom or in classroom activities and includes but is not limited to pens, pencils, notebooks, paper, book bags, calculators, children's books, dictionaries, and thesauruses.

(k) "Nonrecreational software" means prewritten computer software contained in a tangible medium that is not primarily designed for recreational use and includes operational, educational, word processing, financial, and any other similar type of software. Such term does not include software purchased for use with a gaming device or system, game console or other such recreational device or any other software primarily designed for recreational use with a personal computer.

(l) "Personal computer" means any laptop, desktop, handheld computer, or tower computer system, which consists of a central processing unit, random access memory, and a storage drive. Such term does not include any device not primarily designed to process data.

(m) "Personal computer related accessories" means the individual components of a personal computer or devices used in conjunction with a personal computer. Such term includes printers, modems, keyboards, monitors, personal digital assistant devices, peripheral devices, and non-recreational software utilized in association with the personal computer. Such term does not include furniture, cellular telephones or other devices, including personal digital assistant devices, that allow any type of voice communication, digital cameras or any systems, devices, software, or peripherals designed or intended primarily for recreational use.

(n) "Public lodging establishment" means any facility consisting of one or more rooms or units providing lodging and other accommodations to transients. Such term includes tourist courts, tourist cottages, tourist homes, tourist parks, trailer courts, bed and breakfast facilities, motels, hotels, and similar facilities.

(o) "Recreational use" means a use that is not educational or is for amusement or entertainment purposes.

(p) "Restaurant" means any establishment that prepares and serves meals, lunches, short orders, sandwiches, frozen desserts, or other edible products. The term includes coffee shops, cafeterias, short order cafes, luncheonettes, taverns selling sandwiches or salads, lunchrooms, soda fountains, food carts, itinerant restaurants, industrial cafeterias, catering establishments, and similar facilities.

(q) "Theme park" means any complex, building, arena, stadium, parcel of land or other place where tickets, fees, or charges, voluntary or otherwise, are made for admission or parking to amusement, sports or entertainment activities. Such places include, but are not limited to, amusement parks, private or public parks, and other similar facilities.

(r) "Trade or business" means any activity engaged in by any person or caused to be engaged in by any person with the object of direct or indirect gain, benefit, or advantage.

(3) Clothing and Footwear.

(a) During the exemption period, sales of any item of clothing or footwear with a sales price of \$100.00 or less per article will be exempt from sales and use tax.

(b) This exemption does not apply to the sale of any accessories such as jewelry, handbags, umbrellas, eyewear, watches or watchbands.

(c) The application of the exemption to the sale of clothing or footwear during the exemption period is illustrated by the following examples:

1. A customer purchases three shirts for \$45.00 per shirt. All three items qualify for the exemption, even though the customer's total purchase price (\$135.00) exceeds \$100.00.

2. A customer purchases a pair of shoes for \$110.00. The purchase does not qualify for the exemption because the customer's purchase price exceeds \$100.00.

3. A customer purchases a tie for \$50.00, a shirt for \$55.00 and a suit for \$300.00. The purchase of the tie and shirt qualify for the exemption, but the suit purchase does not qualify.

4. A customer purchases a sports team jersey from a sporting goods store for \$35.00. The purchase qualifies for the exemption. However, if the sports team jersey had been purchased from a dealer located at an entertainment complex, theme park, or other non-qualifying location, the purchase would not have qualified for the exemption.

5. A customer purchases a football uniform for \$75.00 and football cleats for \$50.00. These purchases would qualify for the exemption.

6. A customer purchases a gold pin for \$99.00. The purchase does not qualify for the exemption because the item is an accessory.

(4) Personal Computers and Personal Computer Related Accessories.

(a) During the exemption period, a single purchase of \$1,500.00 or less of any personal computer and/or personal computer related accessories is exempt from sales and use tax. Any single purchase exceeding \$1,500.00 is subject to the tax.

(b) Personal computers and personal computer related accessories do not include furniture, digital cameras, cellular telephones or other devices, including personal digital assistant devices that allow any type of voice communication, any systems,

devices, software or peripherals designed or intended primarily for recreational use.

(c) The application of the exemption to the sale of personal computers and personal computer related accessories during the exemption period is illustrated by the following examples:

1. A customer makes a single purchase of a personal computer, printer, and scanner for \$1,500.00. The purchase qualifies for the exemption.

2. A customer makes a single purchase of a personal computer for \$2,600.00. The purchase does not qualify for the exemption.

3. A customer makes a single purchase of a printer and cartridges for \$300.00 without purchasing a personal computer. The purchase is eligible for the exemption.

(5) General School Supplies.

(a) During the exemption period, sales of general school supplies for use in the classroom or for classroom related activities are exempt from sales and use tax if the sales price is \$20.00 or less per item.

(b) Sales of general school supplies will be presumed to be for classroom or classroom related activities unless the dealer's records indicate otherwise.

(c) The application of the exemption to the sale of general school supplies during the exemption period is illustrated by the following examples:

1. A customer purchases a box of pencils for \$5.00. The purchase qualifies for the exemption.

2. A customer purchases a calculator for \$30.00. The purchase does not qualify for the exemption because the sales price exceeds the \$20.00 per item limitation.

3. A customer purchases ten composition books for \$2.50 each. The total purchase of \$25.00 qualifies for the exemption because the sales price for each item does not exceed \$20.00.

4. A customer purchases a box of pens for \$10.00, paper for \$15.00, and chalk for \$3.00 and pays with a business credit card or business check. The purchase will be presumed to be used in a trade or business and will not qualify for the exemption.

5. A customer purchases a dictionary for \$10.00, a book on home decorating for \$15.00 and a writing tablet for \$3.00. The purchase of the dictionary and the writing tablet are exempt, but the book on home decorating does not qualify for the exemption.

(6) General Exemption Exclusions.

(a) The exemption does not apply to any item used in a trade or business.

(b) The exemption does not apply to rented or leased items.

(c) The exemption does not apply to sales in a theme park, entertainment complex, public lodging establishment, restaurant or airport.

(7) Sales Tax Holiday Transaction Rules.

(a) Articles normally sold as a unit. Articles usually sold as a unit may not be priced separately and sold as individual items in order to qualify for the exemption. The following examples illustrate the application of the rule to the exemption:

1. A pair of shoes sells for \$200.00. The pair of shoes cannot be split in order to sell each shoe for \$100.00 to qualify for the exemption.

2. A suit is normally priced at \$300.00. The suit cannot be split into a coat and slacks so that one of the articles may be sold for \$100.00 or less to qualify for the exemption. However, articles that are normally sold as separate articles, such as a sport coat and slacks, may continue to be sold as separate articles and qualify for the exemption.

3. A packaged gift set consisting of a wallet (ineligible item) and tie (eligible item) does not qualify for the exemption.

(b) "Buy one, get one free" and other similar offers. If a dealer offers "buy one, get one free" or "two for the price of one" on covered items, the purchase qualifies for the exemption when all other conditions of the exemption are met. However, if a dealer offers "buy one, get one for a reduced price," the two prices cannot be averaged to qualify both items for the exemption. The following examples illustrate the application of the rule to the exemption:

1. A dealer offers "buy one, get one free" on a pair of shoes. The first pair of shoes has a sale price of \$99.00 and the second pair is free. Both pairs of shoes will qualify for the exemption because the first pair of shoes does not exceed the \$100.00 exemption limitation.

2. A coat is purchased for \$120.00 and a second coat is purchased for half price (\$60.00) at the time the first coat is purchased. The second coat will qualify for the exemption, but the tax will be due on the first coat. In this example, the sales price of the items may not be averaged in order to qualify for the exemption.

(c) Discounts, coupons, and rebates. The application of the exemption to discounts, coupons and rebates extended to a covered item during the exemption period is illustrated by the following examples:

1. Dealer discounts offered at the time of sale and which are taken by the customer at the time of sale affect the sales price of items. For example, if a dealer sells a pair of jeans with a sales price of \$110.00 and offers to discount the item 10 percent at the time of sale, the exemption would apply because the actual sales price of the jeans is \$99.00.

2. Store coupons offered by dealers and used at the time of sale to reduce the sales price do affect the sales price of an item for purposes determining whether the item qualifies for the exemption. For example, if a dealer offers a reduction in sales price of \$100.00 through a store coupon for a computer with a sales price of \$1,600.00, the exemption would apply to the entire purchase because the dealer's actual sales price to the customer is \$1,500.00.

3. Manufacturers' coupons used to pay for an item do not affect the sales price for purposes determining whether the item qualifies for the exemption. For example, if a customer gives a dealer a manufacturer's coupon for \$100.00 toward the purchase of a computer with a sales price of \$1,600.00, the exemption would not apply.

4. Rebates generally occur after the sale, thus the amount of the rebate does not affect the sales price of the purchased item. For example, if a pair of jeans were purchased for \$110.00 with a rebate for \$10.00, the exemption would not apply because the sales price exceeds \$100.00.

(d) **Exchanges.** The application of the exemption to an exchange of a covered item purchased during the exemption period is illustrated by the following examples:

1. A customer purchases a covered item during the exemption period, but later exchanges the item for a different size, color, or other feature. No additional tax is due even though the exchange is made after the exemption period.

2. A customer purchases a covered item during the exemption period. After the exemption period has ended, the customer returns the item and receives credit on the purchase of a different item. Sales tax is due on the total sales price of the newly purchased item.

3. A customer returns a covered item during the exemption period that was purchased before the exemption period for the purposes of obtaining a refund or adjustment of the previously collected sales tax. The refund or adjustment of sales tax on such transactions is not allowed because the tax was due on the item at the time of purchase.

(e) **Gift certificates and gift cards.** Covered items purchased during the exemption period using a gift certificate or gift card will qualify for the exemption, regardless of when the gift certificate or gift card was purchased. Covered items purchased after the exemption period using a gift certificate or gift card are taxable even if the gift certificate or gift card was purchased during the exemption period. A gift certificate or gift card cannot be used to reduce the selling price of a covered item in order for the item to qualify for the exemption.

(f) **Layaways.** A layaway sale is a transaction in which articles are set aside for future delivery to a customer who makes a deposit, agrees to pay the balance of the sales price over a period of time, and, at the end of the payment period, receives the merchandise. For the purposes of this exemption, a covered item will qualify for the exemption when final payment on the layaway is made by, and the item is given to the customer during the exemption period. The

application of the exemption to a layaway of a covered item purchased during the exemption period is illustrated by the following examples:

1. A dress with a sales price of \$75.00 is placed on layaway during the exemption period. The customer retrieves the dress out of layaway and makes final payment after the exemption period. The exemption does not apply.

2. A coat with a sales price of \$100.00 is placed on layaway before the exemption period. The customer makes the final payment and retrieves the coat out of layaway during the exemption period. The exemption would apply because the coat was paid for and picked up during the exemption period.

(g) Mail, telephone, e-mail, and Internet sales. The sale of a covered item of clothing, footwear, personal computer, personal computer related accessory or general school supplies may qualify for exemption when sold through the mail, telephone, e-mail or Internet if:

1. The item is both paid for and delivered to the customer during the exemption period; or

2. The customer orders and pays for the item and the dealer accepts the order during the exemption period for immediate shipment, even if delivery is made after the exemption period. An order is considered for immediate shipment when the customer does not request delayed shipment. The dealer must accept an order during the exemption period even if delivery is not made during the exemption period. Actions to fill an order include placement of an "in date" stamp on a mail order or assignment of an "order number" to a telephone or Internet order. If the dealer delays shipment of an order because of a backlog, or because stock is currently unavailable, the order is still for immediate shipment.

(h) **Out of stock sales.** A purchase where a customer orders and pays for the covered item and the dealer accepts the order during the exemption period will be eligible for the exemption, even if delivery is made after the exemption period.

(i) **Rain checks.** Covered items purchased during the exemption period with the use of a previously issued rain check will qualify for the exemption. However, a rain check that is issued during the exemption period will not qualify a covered item for the exemption if ultimately purchased after the exemption period.

(j) **Charges for services that are part of a sale.** Charges for services that are subject to tax when sold as a part of a retail sale of a covered item will be included, in certain instances, when determining the sales price of a covered item. This applies regardless of the method of stating the charge for service to the customer. The following examples illustrate the application of this rule to the exemption:

1. **Alterations.** A pair of slacks is purchased for \$95.00 and a \$10.00 charge is made for alterations at the time of sale. The purchase would not qualify for the exemption because the sales price of \$105.00 exceeds the \$100.00 per item exemption limitation.

2. **Shipping charges.** The taxation of shipping charges will depend upon the taxability of the item being sold. On transactions that include exempt and taxable purchases, the shipping charges will be presumed to apply to the exempt item. For example: an article of clothing is purchased for \$99.00 and a shipping charge is made for \$2.00. The purchase would qualify for the exemption since the clothing is exempt. Two articles of clothing are purchased for \$110.00 and \$60.00 with a shipping charge of \$5.00. Since one of the articles of clothing qualifies for the exemption, the shipping charge will not be taxable.

(k) **Preorder sales.** Preorders of covered items, such as clothing, footwear, personal computers, personal computer accessories or general school supplies may qualify for exemption if the payment occurs during the exemption period.

(8) **Records.** Dealers are not required to obtain an exemption certificate on sales of covered items during the exemption period. However, a dealer's records should clearly identify the type of item sold, the date on which the item was sold, the sales price of all items and, if applicable, any tax charged.

(9) **Refunds and Receipts.** For the period of 30 calendar days following the last day of the exemption period, when a customer returns an item that would qualify for the exemption, no refund of tax may be given unless the customer provides a receipt or invoice showing tax was paid, or the dealer has sufficient documentation to show that tax was paid on the specific covered item.

(10) **Reporting Exempt Sales.** No special reporting procedures are necessary to report exempt sales on covered items made during the exemption period. Exempt sales are to be reported in Part C of the Return (Form ST-3) on Line A and the applicable Local County Taxes Line or on Line 2 of the EZ Return (Form ST-3EZ). Taxable sales and exempt transactions should be reported as currently required by law.

(11) The following lists are examples of exempt or taxable items by type:

(a) Clothing and Footwear (E= Exempt - T= Taxable):

T/E ITEM

T **Accessories** (generally):
T Barrettes and bobby
 pins
T Cuff Links

T Hair bows, clips, nets
 and bands
T Handbags
T Handkerchiefs

<u>E Headbands (Athletic)</u>	<u>(rented or leased)</u>
<u>T Jewelry</u>	<u>T Clothing or Footwear</u>
<u>T Key Cases</u>	<u>Repair Items, such as</u>
<u>T Ponytail Holders</u>	<u>thread, buttons, patches,</u>
<u>T Wallets</u>	<u>heels, and soles</u>
<u>T Watch bands</u>	<u>E Coats, Capes, Shawls</u>
<u>T Watches</u>	<u>and Wraps</u>
<u>E Aerobic Clothing</u>	<u>T Coin Purses</u>
<u>E Antique/Vintage</u>	<u>T Corsages and</u>
<u>Clothing</u>	<u>Boutonnieres</u>
<u>T Aprons</u>	<u>E Corsets and Corset</u>
<u>E Athletic Pads</u>	<u>Laces</u>
<u>E Athletic Supporters</u>	<u>T Cosmetic Bags</u>
<u>E Baby Clothes</u>	<u>T Costumes</u>
<u>T Backpacks</u>	<u>E Coveralls</u>
<u>E Bandanas</u>	<u>T Crib Blankets</u>
<u>E Baseball Cleats</u>	<u>T Diaper Bags</u>
<u>E Bathing Suits, Caps and</u>	<u>E Diapers, Cloth &</u>
<u>Cover-ups</u>	<u>Disposable (adult and</u>
<u>E Belt Buckles</u>	<u>baby)</u>
<u>E Belts</u>	<u>E Dresses</u>
<u>E Belts for Weightlifting</u>	<u>E Employee Uniforms</u>
<u>or Back support</u>	<u>T Eyewear</u>
<u>T Bibs</u>	<u>T Fanny Packs</u>
<u>E Blouses</u>	<u>E Fishing Boots (waders)</u>
<u>E Boots</u>	<u>E Fishing Vests</u>
<u>E Bow ties</u>	<u>E Football Pads</u>
<u>E Bowling Shoes</u>	<u>E Formal Clothing</u>
<u>E Bras</u>	<u>T Garment Bags</u>
<u>T Briefcases</u>	<u>E Garter and garter belts</u>
<u>E Caps and Hats</u>	<u>E Girdles</u>
<u>E Cleated and Spiked</u>	<u>E Gloves (generally):</u>
<u>Footwear</u>	<u>E Batting</u>
<u>T Cloth and Lace,</u>	<u>E Dress</u>
<u>Knitting Yarns and</u>	<u>E Garden</u>
<u>Other Fabric</u>	<u>E Golf</u>
<u>T Clothing and Footwear</u>	<u>E Leather</u>

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<u>E Rubber</u>	<u>E Martial Arts Attire</u>
<u>E Tennis</u>	<u>E Mittens</u>
<u>E Work</u>	<u>E Neckwear and Ties</u>
<u>T Goggles</u>	<u>E Overshoes and Rubber</u>
<u>E Graduation Caps and</u>	<u>Shoes</u>
<u>Gowns (except rented)</u>	<u>T Paint and Dust Masks</u>
<u>E Gym Suits</u>	<u>E Pants</u>
<u>T Hair Nets, Bows, Clips</u>	<u>E Pantyhose</u>
<u>and Bands</u>	<u>T Patterns (sewing)</u>
<u>E Hand Muffs</u>	<u>T Personal Flotation</u>
<u>T Handbags and Purses</u>	<u>Devices</u>
<u>T Handkerchiefs</u>	<u>T Protective Masks and</u>
<u>T Hard Hats</u>	<u>Goggles</u>
<u>E Hats and Caps</u>	<u>E Raincoats, Raincoats</u>
<u>E Headband (Athletic)</u>	<u>and Ponchos</u>
<u>E Helmets</u>	<u>T Receiving Blankets</u>
<u>E Hosiery, including</u>	<u>T Rented Clothing or</u>
<u>support hosiery</u>	<u>Footwear</u>
<u>E Hunting Vests</u>	<u>T Repair of Clothing or</u>
<u>E Ice Skates</u>	<u>Footwear</u>
<u>T Insoles</u>	<u>E Robes</u>
<u>E Jackets</u>	<u>E Roller Blades</u>
<u>E Jeans</u>	<u>E Roller Skates</u>
<u>T Jewelry</u>	<u>E Running Suits</u>
<u>E Jogging Suits</u>	<u>E Safety Clothing</u>
<u>E Jumpers</u>	<u>T Safety Glasses</u>
<u>T Key Chains</u>	<u>E Safety Shoes</u>
<u>E Knee Pads</u>	<u>E Scarves</u>
<u>E Lab Coats</u>	<u>E School Uniforms</u>
<u>E Leg Warmers</u>	<u>E Scout Uniforms</u>
<u>E Leotards and Tights</u>	<u>T Shaving Kits and Bags</u>
<u>T Life Jackets and Vests</u>	<u>E Shawls and Wraps</u>
<u>T Linens (sheets, blankets,</u>	<u>E Shin Guards and</u>
<u>etc.)</u>	<u>Padding</u>
<u>E Lingerie</u>	<u>E Shirts</u>
<u>T Luggage</u>	<u>T Shoe Inserts</u>
<u>T Makeup Bags</u>	<u>E Shoe Laces</u>

<u>E Shoes</u>	<u>E Sweatbands</u>
<u>E Shorts</u>	<u>E Sweaters</u>
<u>E Ski Suits (snow)</u>	<u>T Swimming Masks</u>
<u>E Skirts</u>	<u>E Swimsuits and Trunks</u>
<u>E Slacks</u>	<u>E T - Shirts</u>
<u>E Sleepwear, Nightgowns</u>	<u>E Ties (neckties - all)</u>
<u>and Pajamas</u>	<u>E Tuxedos, excluding</u>
<u>E Slippers</u>	<u>cufflinks and rentals</u>
<u>E Slips</u>	<u>T Umbrellas</u>
<u>E Socks</u>	<u>E Undergarments</u>
<u>E Sports Coats</u>	<u>E Uniforms</u>
<u>E Sports Uniforms</u>	<u>E Vests (except water)</u>
<u>T Suitcases</u>	<u>T Wallets</u>
<u>E Suits</u>	<u>T Watchbands</u>
<u>T Sunglasses</u>	<u>T Water Vests (life and</u>
<u>E Suspenders</u>	<u>ski)</u>
<u>E Sweat Clothes (shirts &</u>	<u>T Wigs, Hair Extensions,</u>
<u>pants)</u>	<u>Toupees and Chignons</u>

(b) Computers and Computer Related Accessories (E= Exempt - T=Taxable):

T/E ITEM

<u>T Action Games</u>	<u>T Cellular Telephones or</u>
<u>T Adventure Games</u>	<u>other devices, including</u>
<u>E Antivirus Software</u>	<u>personal digital assistant</u>
<u>E Batteries (Designed for</u>	<u>devices, that allow any</u>
<u>a computer)</u>	<u>type of voice</u>
<u>T Batteries (Regular)</u>	<u>communication</u>
<u>E Cables (computer)</u>	<u>E Central Processing Unit</u>
<u>E Car Adaptor for Laptop</u>	<u>E Compact Disk Drives</u>
<u>E CD/DVD/Floppy Disks</u>	<u>T Computer Bags</u>
<u>(blank)</u>	<u>T Computer Games</u>
<u>T CD/DVD (music, voice</u>	<u>E Computer Supplies</u>
<u>or prerecorded item)</u>	<u>E Computers</u>

<u>T Computers for</u>	<u>Assistant Carrying Case</u>
<u>Recreation (games and</u>	<u>E Personal Digital</u>
<u>toys)</u>	<u>Assistant Devices</u>
<u>T Copy Machines</u>	<u>(except those that allow</u>
<u>T Controllers</u>	<u>any type of voice</u>
<u>E Database Software</u>	<u>communication)</u>
<u>T Digital Cameras</u>	<u>T Projectors and Cases</u>
<u>E Docking Station</u>	<u>E Port Replicator</u>
<u>(designed for</u>	<u>E Printer Cartridges</u>
<u>a computer)</u>	<u>E Printers (including “all-</u>
<u>E Educational Software</u>	<u>in-one” models)</u>
<u>E Finance Software</u>	<u>T Rented Computers or</u>
<u>T Games</u>	<u>Computer Accessories</u>
<u>T Gaming Software</u>	<u>T Repair of Computers or</u>
<u>T Game systems and</u>	<u>Computer Accessories</u>
<u>consoles</u>	<u>T Role Playing Games</u>
<u>E Greeting Card Software</u>	<u>E Router</u>
<u>E Hard Drive (computer)</u>	<u>E Scanners</u>
<u>E Internet Software</u>	<u>E Screen Projector</u>
<u>T Joy Sticks</u>	<u>(Monitor Type)</u>
<u>E Keyboard</u>	<u>E Software</u>
<u>T LCD/Plasma</u>	<u>(nonrecreational)</u>
<u>Televisions</u>	<u>T Software (games and</u>
<u>E Memory</u>	<u>entertainment)</u>
<u>E Microphone</u>	<u>E Speakers (computer)</u>
<u>E Modems</u>	<u>T Sports Games</u>
<u>E Monitors</u>	<u>E Storage Devices</u>
<u>E Motherboard</u>	<u>T Strategy Games</u>
<u>E Mouse</u>	<u>T Surge Protectors</u>
<u>T MP3 Players or</u>	<u>E USB Cables</u>
<u>accessories</u>	<u>E USB Memory devices</u>
<u>T Music Download</u>	<u>(excluding those</u>
<u>Software</u>	<u>designed for use</u>
<u>T Notebook Backpack</u>	<u>in digital cameras</u>
<u>E Operational Software</u>	<u>or other taxable items)</u>
<u>T Personal Digital</u>	<u>T Videogames</u>

Chapter 560-12-2**Substantive Rules and Regulations**T Videogame DevicesE Web CamerasE Word-processingSoftwareE Zip Drives(c) General School Supplies (E= Exempt - T= Taxable):**T/E ITEM**E Appointment BooksE BackpacksE Book BagsE Book CoversE Book MarkersT Books (except
children's books,
dictionaries and
thesauruses)T BriefcasesE CalculatorsE CD/DVD/Floppy Disks
(Blank)E ChalkE Chalkboard ErasersE Children's BooksE ClipboardsE Colored PencilsE Compact Disks (Blank)E CompassE Composition BooksE Computer SuppliesE Construction PaperE Crayon BoxE CrayonsE Daily PlannersE DictionariesE DividersE Duffel BagsE Easel PadsT EnvelopesE ErasersE File JacketsE Flash CardsE FoldersE GlueE Glue RefillsE Graph PaperE HighlightersE Index CardsE InkE Ink CartridgesT Janitorial SuppliesE Label HoldersE LabelsE LeadE Loose-leaf BindersE Lunch BoxesE MarkersE Mechanical PencilsT Medical SuppliesE Memo BooksE NotebooksE OrganizersE Paper (notebook,
printer or pads)E Paper ClipsE Paste

Substantive Sales and Use Tax Rules**Chapter 560-12-2**

<u>E Pencil Box</u>	<u>E Scotch Tape</u>
<u>E Pencil Erasers</u>	<u>E Sheet Protectors</u>
<u>E Pencil Lead</u>	<u>E Staplers</u>
<u>E Pencil Sharpener</u>	<u>E Staples</u>
<u>E Pencils</u>	<u>E Sticky Notes</u>
<u>E Pens</u>	<u>T Supplies used in a</u>
<u>E Portfolios</u>	<u>Trade or Business</u>
<u>E Poster Board</u>	<u>E Tape</u>
<u>E Protractors</u>	<u>E Tape Refills</u>
<u>E Rubber Bands</u>	<u>E Thesauruses</u>
<u>E Rulers</u>	<u>E Whiteout</u>
<u>E Scissors</u>	<u>E Wire-bound Notebooks</u>

Authority O.C.G.A. §§ 48-2-12 and 48-8-3(75).